correlated with level of per capita State Plan Expenditure as well as with agricultural Productivity.

(c) and (d) The findings of the research study are being considered by the Planning Commission.

Corruption in the country

997. SHRI RAVULA CHANDRA SEKARA REDDY: Will the PRIME MINISTER be pleased to state:

(a) whether corruption is endemic to Indian Society and manifests itself in poor governance; and

(b) the solutions proposed to the problem and improve quality of life of the people?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRIMATI VASUNDHARA RAJE): (a) and (b) The issue of governance including that of corruption has been dealt with in National Human Development Report (NHDR)—2001, prepared by Planning Commission and released by the Prime Minister recently on April 23rd, 2002. The Report points out that the institutional arrangements wherein public officials have monopoly power plus discretion in the absence of accountability and relatively low salaries have resulted in corruption in most developing societies. The problem is compounded by procedural and legal hurdles that an individual has to confront in almost every interface with the public authorities.

The Report suggests that the solution to the problem of corruption has to be more systemic than any other issue of governance. Merely shrinking the economic role of the State by resorting to deregulation, liberalisation and privatisation is not necessarily the solution to addressing the problem. Prevalent institutional arrangements have to be reviewed and changes made where those vested with power are also made accountable, their functioning made more transparent and subjected to social audit, with a view to minimise the discretionary decisions. All such procedures, laws and regulations that breed corruption and come in the way of efficient delivery system will have to be eliminated. The perverse system of incentives in public life, which makes corruption a high-return-low-risk activity, need to be addressed. In this context, public

examples have to be made out of people convicted on corruption charges and the legal process in such cases has to be expedited. In addition, with changes in economic policy regime, regulatory bodies that guide and monitor the functioning of the relevant economic agents, lays down the rules of conduct in the interest of consumers and devises such practices that help in efficient functioning of the system will have to be established in many sectors of the economy that are now being opened up. At the same time, social monitoring through empowered, autonomous and credible structures will have to be established even for the highest of the public offices. Right to information has to be the starting point for some of these changes.

Poor performance by States

†998. SHRI MOTILAL VOHRA: Will the PRIME MINISTER be pleased to state:

(a) the States whose performance has been poor in respect of implementation of Ninth Five Year Plan;

(b) the implementation percentage of Ninth five Year Plan by each State;

(c) the reasons for such poor implementation;

(d) the action being taken by Government against such States; and

(e) if not the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRIMATI VASUNDHARA RAJE): (a) and (b) Statement indicating financial performance of States in respect of implementation of Ninth Five Year Plan *viz.* per cent of anticipated expenditure to revised outlay during the Ninth Plan is attached. (*See* below)

(c) to (e) While overally performance of States was fairly good as indicated, the main reasons for shortfall in realisation of projected Ninth Plan Outlays by many States was the inability of these States to mobilize financial resources as projected States are encouraged during plan discussions to increase mobilisation of their resources.

†Original notice of the question was received in Hindi.